

Funding IGA – Initial IGA

Issues:

1. Current funding formula based on the first half of the 20th century is not adequate for our 21st century transportation needs.
2. People don't realize how little they contribute to maintaining and improving their transportation system. (15,000 miles annually driven at 20 miles per gallon = 750 gallons of gas, which is less than \$150 annually. \$150 buys 3 square yards in pavement)
3. Lack of political will to increase funding.
4. The true economic and societal value of Michigan's transportation system has not been enumerated to or understood by the public.
5. Transportation funding in Michigan must remain constitutionally protected.
6. No system in place to provide a long-term solution for adequate funding to address increasing needs to sustain and improve all modes.
7. Act 51 is in need of total overhaul (sources, jurisdictional responsibilities, distribution formula).

Goals:

1. Create bipartisan and citizen support for increased transportation funding. Gain broad public support for transportation funding changes to bolster support for legislative action.
2. Educated taxpayers and legislators who are well informed on transportation needs and funding. Education of the public of transportation needs and funding, so they may accordingly represent their needs to their congressman.
3. Broaden the base of transportation funding that is indexed to the future to more equitably reflect the societal benefit. Seek alternate methods of funding to include new fuel technologies.
4. Changes in legislation allow more flexibility for local funding options.
5. Create regional authorities to assess needs and set transportation funding priorities.
6. Evaluate potential reassignment of jurisdictional responsibility for roads based on function and distribute funds so that dollars follow roads.
7. Meet huge unmet needs by identifying future alternative or new funding sources to augment and enhance existing transportation revenue sources.
8. A dedicated source of funding to meet the growing demands of users of modes and automatically keeps pace with inflation.
9. Implement a state-wide evaluation process for the appropriate distribution of funds for different transportation modes.
10. To realize diversified and inflation protected funding sources for the transportation system.

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Actions:

1. Increase diesel and gas taxes to more appropriate levels and identify additional sources of funding, including: regional funding, impact fees, tolls, payroll fees, local option taxes, and other user fees.
2. Encourage and advocate for Michigan's Congressional delegation to support a growing six year bill that provides a 95% rate of return for Michigan.
3. Look for best practices for restructuring transportation funding and allocation.
4. Fund the agreed to baseline system and services and allow indexing to maintain that level federal and state funding.
5. Advocate for federal block grants funding system.
6. Education of the public and elected officials to understand the cost and complexities of constructing and maintaining the transportation system.
7. Rewrite and update Act 51 to change funding methodology and distribution.
8. Michigan should amend its state constitution and reform MPOs to: triple public transportation funding, mandate 90% of state and local roads and double state funding of biking and walking options. To do so, direct 10% of MTF to CTF, 25% of auto-related sales tax to CTF and end constitutional mandates of 90% gas tax to roads and enable local sales tax.